

LAW OFFICES OF
PIPER & MARBURY

1100 CHARLES CENTER SOUTH
36 SOUTH CHARLES STREET
BALTIMORE, MARYLAND 21201

TELEPHONE 301-539-2530

May 31, 1979

FRANKLIN G. ALLEN
MICHAEL P. CROCKER
FRANK T. GRAY
ANDRE W. BREWSTER
JOHN MARTIN JONES, Jr.
CHARLES T. ALBERT
EDWARD O. CLARKE, Jr.
DECATUR H. MILLER
ROGER D. REDDEN
RICHARD D. FERBER
JOHN C. COOPER, III
L. P. SCRIGGINS
ROBERT B. BARNHOUSE
LEWIS A. NOONBERG
DONALD E. SHARPE

OF COUNSEL
WILLIAM L. MARBURY
G. VAN VELSOR WOLF

JOSEPH G. FINNERTY, Jr.
HENRY R. LORD
ALBERT S. BARR, III
E. STEPHEN DERBY
PAUL V. NIEMEYER
DONALD P. McPHERSON, III
FRANK R. GOLDSTEIN
LAWRENCE M. KATZ
ROBERT E. YOUNG
JAMES P. GILLECE, Jr.
WALTER G. LOHR, Jr.
EDWARD S. DIGGES, Jr.
JAMES J. WINN, Jr.
JOHN E. KRATZ, Jr.

PARTNERS EMERITUS
JOHN W. AVIRETT, Jr.
J. MARTIN McDONNELL
GEORGE S. NEWCOMER
JESSE SLINGLUFF

FRANCIS X. WRIGHT
MICHAEL ESHER YAGGY
STEVEN D. SHATTUCK
W. GAR RICHLIN
MARK POLLAK
ALEXANDER C. SHORT
E. FREMONT MAGEE
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JEFFREY D. HERSCHMAN
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EDWARD C. SLEDGE
VIRGINIA K. ADAMS
FRANCIS B. BURCH, Jr.
EARL S. WELLSCHLAGER

DAVID M. KOHEN
RICHARD C. TILGHMAN, Jr.
JOANNE E. POLLAK
DOROTHY A. BEATTY
RICHARD J. HAFETS
ROBERT DALE KLEIN
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F. THOMAS RAFFERTY
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SUSAN GILLETTE
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ROBERT J. OWEN, Jr.
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JOHN P. MACHEN
DAVID M. FUNK
ANNE C. SIROTA
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STEWART K. DIANA
KATHLEEN S. DOWNS
JOEL JAY FEINBERG
THEODORE E. KING, Jr.
LEE A. SHELLER

10406
RECORDATION NO. 10406 Filed 1425

JUN 1 1979-10 10 AM

INTERSTATE COMMERCE COMMISSION

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D. C. 20423.

Dear Sirs:

Pursuant to the provisions of Section 11303 of the Interstate Commerce Act, as revised and recodified by Public Law 95-473, and the regulations of the Interstate Commerce Commission promulgated thereunder, we are transmitting for filing and recording executed counterparts or originals of the following documents:

1. Lease Agreement dated as of May 31, 1979, between National Railway Utilization Corporation and Pickens Railroad Company, as lessees, and Heleasco Eleven, Inc., as lessor;
2. Assignment of Lease dated as of May 31, 1979 executed by Heleasco Eleven, Inc., as assignor, and assigning the above-referenced Lease Agreement to First Maryland Leasecorp, as assignee, together with a Consent and Agreement executed by National Railway Utilization Corporation and Pickens Railroad Company.
3. Security Agreement dated as of May 31, 1979 by and between Heleasco Eleven, Inc., as debtor, and First Maryland Leasecorp, as secured party.

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INTERSTATE COMMERCE COMMISSION

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Countersign
Ronald M. Cherry

Interstate Commerce Commission,
May 31, 1979,
Page Two.

4. Closing Agreement dated as of May 31, 1979 by and between Heleasco Eleven, Inc., National Railway Utilization Corporation, Pickens Railroad Company and First Maryland Leasecorp.

The names and addresses of the parties to these agreements are listed below.

Heleasco Eleven, Inc.
Suite 203
Springer Building
3411 Silverside Road
Wilmington, Delaware 19810

Pickens Railroad Company
402 Cedar Rock Street
Pickens, South Carolina 29671

National Railway Utilization Corporation
1100 Centre Square East
1500 Market Street
Philadelphia, Pa. 19102

First Maryland Leasecorp
25 South Charles Street
Baltimore, Maryland 21201

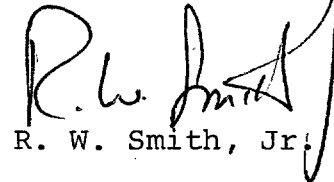
A general description of the Equipment covered by the Lease Agreement and Assignment of Lease is contained in Exhibit A to this letter.

The above-identified documents have not been previously recorded with the Interstate Commerce Commission. Please accept for recordation two counterparts of each document, stamp the remaining counterparts with the appropriate recordation number and return them with your confirmed receipt by my delivering messenger. Please record and cross reference all documents against National Railway Utilization Corporation, Pickens Railroad Company and Heleasco Eleven, Inc.

Interstate Commerce Commission,
May 31, 1979,
Page Three.

The filing and recordation fees in the amount of
\$160.00 are submitted herewith.

Very truly yours,


R. W. Smith, Jr.

RWSJr/fja
Enclosures

ASSIGNMENT OF LEASE

JUN 1 1979 - 10 10 AM

INTERSTATE COMMERCE COMMISSION

HELEASCO ELEVEN, INC. ("Assignor"), a Delaware corporation, hereby assigns and transfers to FIRST MARYLAND LEASECORP, a Maryland corporation, ("Assignee") all of Assignor's right, title and interest in and to the lease dated as of the date hereof (Lease No. Y179-1290.1) and all rental schedules and supplements thereto ("Lease") of which National Railway Utilization Corporation and Pickens Railroad Company, with addresses, respectively, at 1100 Centre Square East, 1500 Market Street, Philadelphia, Pennsylvania 19101 and at Cedar Rock Street, Pickens, South Carolina 29671, are lessees and Assignor is lessor, together with all rentals and other moneys coming due thereunder and all proceeds of insurance, condemnation and requisition proceedings and sale or other dispositions of any of the property subject thereto payable to or receivable by the Assignor under or in connection therewith, and all rights, powers and remedies (but none of the duties or obligations, if any) of Assignor under the Lease, including, exclusively on the part of the Assignee, all rights of the Assignor to give and receive any notice, consent, waiver, demand or approval under or in respect of the Lease, to exercise any election or option thereunder or in respect thereof, to accept any surrender of any property subject thereto, to execute and deliver any bill of sale for any such property, and to do all other things which Assignor is entitled to do under this Lease.

Assignor authorizes Assignee to do every act and thing in the name of the Assignor, Assignee or otherwise which Assignee may deem advisable to enforce the terms of the Lease, and the Assignor hereby irrevocably appoints Assignee the true and lawful attorney for the Assignor with full power of substitution and revocation, together with full power and authority in the name of the Assignor, Assignee or otherwise, to demand, enforce, collect, receive, receipt and give releases for any moneys due or to become due under or arising out of the lease or any policy of insurance or indemnity relating to the property subject thereto or the Lease (including any returns of premium), to endorse all checks and other instruments payable to Assignor, and to do and take all such other actions as are referred to in the preceding paragraph relating to the Lease or such property, to file any claims or institute any proceedings for the foregoing which Assignee deems necessary, and to compromise any such demand, claim or action.

This Assignment is made pursuant to and for the purposes of a certain Security Agreement of even date herewith given by Assignor to Assignee to secure the payment of Assignor's Note and other obligations as provided therein and the Assignee does not, by reason hereof, assume any of the obligations of the Lessor under the Lease.

Executed as of May 31 , 1979.

HELEASCO ELEVEN, INC.

(Corporate Seal)

By R. L. Beckwith
President

Attest:

R. E. C. Tett
Asst. Secretary

STATE OF *Delaware*
COUNTY OF *New Castle* : SS:

On this *30th* day of May, 1979, before me personally appeared *R. L. Beckershoff*, to me personally known, who, being by me duly sworn, says that he is President of HELEASCO ELEVEN, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

William P. Brown

Notary Public

My Commission Expires:



CONSENT AND AGREEMENT

The undersigned, NATIONAL RAILWAY UTILIZATION CORPORATION, a South Carolina corporation, and PICKENS RAILROAD COMPANY, a South Carolina corporation, the lessees (hereinafter collectively called the "Lessee") named in the Lease (hereinafter called the "Lease") referred to in the foregoing Assignment of Lease (hereinafter called the "Assignment"), hereby (a) acknowledge receipt of a copy of the Assignment and (b) consent to all the terms and conditions of the Assignment and agree that:

(1) Lessee will pay all rentals, casualty payments, liquidated damages, indemnities and all other moneys provided for in the Lease (which moneys are hereinafter called the "Payments") due and to become due under the Lease or otherwise in respect of the Equipment leased thereunder, directly to the Assignee or to whomsoever the Assignee may from time to time direct;

(2) the Assignee shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Assignee were named therein as the Lessor;

(3) the Assignee shall not, by virtue of the Assignment, be or become subject to any liability or obligation under the Lease or otherwise;

(4) the Lease shall not, without the prior written consent of the Assignee, be terminated, amended or modified, nor shall any action be taken or omitted by the Lessee, the taking or omission of which might result in an alteration or impairment of the Lease or the Assignment, or of any of the rights created by either thereof, and any such action, without the consent of the Assignee, shall be void; and

(5) any consent or waiver under the Lease given by Lessor, any notice given by Lessor thereunder or other exercise of any rights, powers or remedies of the Lessor thereunder by Lessor, or any release of any obligations of the Lessee by Lessor thereunder without the prior written consent of Lender, except as may be permitted pursuant to or consented to by Lender under the Security Agreement, (as defined in the Lease) shall be void.

This Consent and Agreement shall be deemed to be a contract made and effected under the laws of the Commonwealth of Pennsylvania, and, for all purposes, shall be construed in accordance with the laws of said Commonwealth.

Dated: May 31, 1979

NATIONAL RAILWAY UTILIZATION CORPORATION

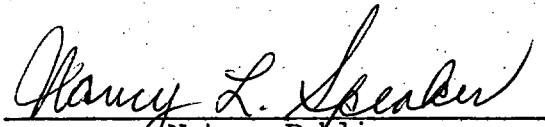
By Woodrow B. Moats Jr.
S R. Vice President

PICKENS RAILROAD COMPANY

By Woodrow B. Moats Jr.
Vice President

COMMONWEALTH OF PENNSYLVANIA)
) ss:
 COUNTY OF DELAWARE)

On this 30th day of May, 1979, before me personally appeared Woodrow B. Moats, Jr., to me personally known, who, being by me duly sworn, says that he is a Sr. Vice President ~~and Treasurer~~ of NATIONAL RAILWAY UTILIZATION CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


 Notary Public

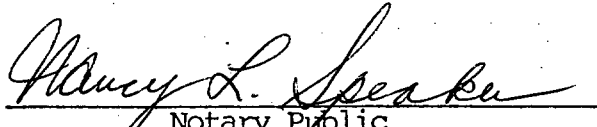
SEAL

My Commission Expires:

NANCY L. SPEAKER, Notary Public
 Radnor Twp., Delaware Co.
 My Commission Expires June 4, 1983

COMMONWEALTH OF PENNSYLVANIA)
) ss:
 COUNTY OF DELAWARE)

On this 30th day of May, 1979, before me personally appeared Woodrow B. Moats, Jr., to me personally known, by me duly sworn, says that he is a Vice President of PICKENS RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


 Notary Public

SEAL

My Commission Expires:

NANCY L. SPEAKER, Notary Public
 Radnor Twp., Delaware Co.
 My Commission Expires June 4, 1983

Reports

1. Financial Information: The Lessee will deliver or cause to be delivered to the Lessor and to the Lender (i) as soon as available, and in any event within 90 days after the end of the applicable accounting period, copies of the consolidated balance sheet of the Lessee as of the end of its first, second and third quarterly accounting periods in each of its fiscal years and copies of the related consolidated statements of income and retained earnings of the Lessee for the portion of its fiscal year ended with the last day of such quarterly accounting period, all in reasonable detail and stating in comparative form the figures for the corresponding date and period in the previous fiscal year, (ii) as soon as available, and in any event within 120 days after the end of each fiscal year, copies, in comparative form with the preceding fiscal year, of the consolidated balance sheet of the Lessee as at the end of such fiscal year, and of the statements of income and retained earnings of the Lessee for such fiscal year, all in reasonable detail and stating in comparative form the consolidated figures as of the end of and for the previous fiscal year, and certified by independent public accountants of recognized national standing, (iii) as soon as available, a copy of each published financial report and, if requested in writing, the Annual Report to the Interstate Commerce Commission which is required to be filed by the Lessee and (iv) with reasonable promptness, such other data and information as from time to time may be reasonably requested.

2. Certificate as to Defaults:
 - a. The Lessee will deliver or cause to be delivered to the Lessor and the Lender (i) as soon as available and in any event within 120 days after the end of each fiscal year, a certificate signed by the President, any Vice President or the senior financial officer of the Lessee stating that a review of the activities of the Lessee during such year has been made under his supervision with a view to determining whether the Lessee has kept, performed and fulfilled all of its obligations under the Lease and that, to the best of his knowledge, the Lessee, during such year, has kept, performed and fulfilled each and every covenant, obligation and condition contained in the Lease, or, if a default shall exist or have existed, specifying such default and the nature and status thereof.

 - b. The Lessee will deliver or cause to be delivered to Lessor and to Lender, promptly upon any responsible officer's becoming aware of any condition which constitutes an Event of Default under the Lease or which, after notice or lapse of time or both, would constitute such an Event of Default, written notice specifying such condition and the nature and status thereof. For the purposes of this paragraph, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee in this Lease contained, any corporate official of the Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

Exhibit A

<u>Builder</u>	<u>Description</u>	<u>Quantity</u>	<u>Lessee's Road Numbers (Both Inclusive)</u>	<u>Purchase Price Unit</u>	<u>Total</u>
Whittaker Corporation (Berwick Forge and Fabricating Division)	50' 6", 70-ton, Plate "C" Rigid Underframe Boxcars with 10' 0" Sliding Doors (Type XM)	135	HOSC 250065 through 250199	\$39,728	\$5,363,280
Evans Transportation Company (Southern Iron & Equipment Company Division)	50' 6", 70-ton, Plate "C", Rigid Underframe Boxcars with 10' 0" Sliding Doors (Type XM)	15	NSL 155567 through - 155581	40,600	609,000
TOTAL PURCHASE PRICE					<u>\$5,972,280</u>